Manitoba at a Crossroads

Manitoba Child & Family Poverty Report Card

2008

ACKNOWLEDGEMENTS

The data for this report card were made available through the collaborative support of National Campaign 2000, Canadian Council on Social Development (CCSD), and the Social Planning and Research Council of British Columbia (SPARC BC). This report card has been developed by the local Campaign 2000 Continues Steering Committee of the Social Planning Council of Winnipeg.

In addition, the Social Planning Council of Winnipeg wishes to acknowledge United Way Winnipeg for providing funding assistance.

United Way
Winnipeg

DATA SOURCES

Most data were prepared by the Canadian Council on Social Development for Campaign 2000 using Statistics Canada's Survey of Labour and Income Dynamics (SLID) master file data and by the Social Planning and Research Council of BC using Statistics Canada's *Income Trends in Canada 1980-2006*. Other sources can be found in the endnotes.

CAMPAIGN 2000

Campaign 2000 is a non-partisan, cross-Canada coalition of over 120 national, provincial and community organizations committed to working together to end child and family poverty in Canada. Campaign 2000 evolved out of a unanimous Resolution passed by the Canadian House of Commons in November, 1989, which called for the elimination of child poverty in Canada by the year 2000.

"This House... seeks to achieve the goal of eliminating poverty among Canadian children by the year 2000."

- Unanimous all-party resolution

Campaign 2000

SOCIAL PLANNING COUNCIL OF WINNIPEG

The Social Planning Council of Winnipeg (SPC) is a membership based organization in the voluntary sector committed to providing leadership in social planning and effecting social policy changes. This involves working with diverse communities in identifying and assessing community issues, needs and resources; and working with policy-makers, funding agencies, service providers, ethnocultural and Aboriginal groups, and the general public in Winnipeg to respond to socio-economic issues and needs.

The Manitoba Campaign 2000 Network is a coalition of over 100 organizations, locally organized under the sponsorship of the Social Planning Council of Winnipeg, dedicated to the support of Campaign 2000 initiatives within Manitoba.

Social Planning Council
of Winnipeg

This report is available for download at www.spcw.mb.ca.

To request a bound copy, please contact:
Social Planning Council of Winnipeg
412 McDermot Avenue
Winnipeg MB, R3A 0A9
info@spcw.mb.ca

ISBN # 1-895752-62-0

"Poverty is something that could be eliminated if governments and citizens made it a priority"

Manitoba Child and Family Poverty Report Card

Contents

Introduction ..... Page 1
Child Poverty in Manitoba ..... Page 1
Child Poverty by Family Type ..... Page 2
City of Winnipeg ..... Page 4
Some Children are More at Risk ..... Page 5
Housing ..... Page 6
Working Families ..... Page 7
Minimum Wage ..... Page 8
Economic Growth ..... Page 10
Government Transfers ..... Page 11
Child Care ..... Page 12
Food Bank Usage ..... Page 13
Need for a Plan ..... Page 13
Appendix ..... Page 16
Endnotes ..... Page 17

INTRODUCTION

In May of 2008 the local media were only too happy to report that Manitoba was losing the label of child poverty capital of Canada, in response to Statistics Canada data and announcements from the provincial government. A message that was no doubt met with optimism by Manitobans. At the time, the province was doing extraordinarily well economically and the idea that good times were having a positive effect on rates of child poverty only served to infer that poverty in Manitoba was on the decline.

Less than a year later, the world is sinking into a recession and public confidence is waning. Although the economies of Manitoba, Alberta, and Saskatchewan are expected to continue to grow, the rest of the nation is only narrowly going to miss sliding into recession.

In this increasingly gloomy time with economic storm clouds on the horizon, the Social Planning Council of Winnipeg, as local partner to Campaign 2000, has produced its annual publication: the Manitoba Child and Family Poverty Report Card.

This year's report card will look at the details of poverty in Manitoba for the previous year and will determine if the ebullience of last May's declaration that Manitoba was gaining ground in the fight on poverty was warranted.

The statistics that follow indicate that, in fact, there has been **little** significant difference in the rate of poverty in Manitoba over the last nine years, nine years that have seen unprecedented economic growth. The statistics also show that the wealth generated in those years overwhelmingly ended up in the pockets of the richest Manitobans and has done little to lift people out of poverty.

Due to the economic crisis facing the world and the continued prevalence of poverty in the province, Manitoba is at a crossroads.

We must ask ourselves, if the unprecedented economic growth of the last decade did not serve to lift poor children and families in Manitoban out of poverty, what will we do now? With the economic forecast worsening and consumer confidence waning, what will we do now? Will we continue to relay on market forces to pull people out of poverty and wait? Or will we follow the growing Canadian trend and join Quebec, New Foundland and Labrador, Nova Scotia, New Brunswick, and Ontario and formulate a comprehensive provincial plan to tackle the problem?

Manitoba is at a crossroads.

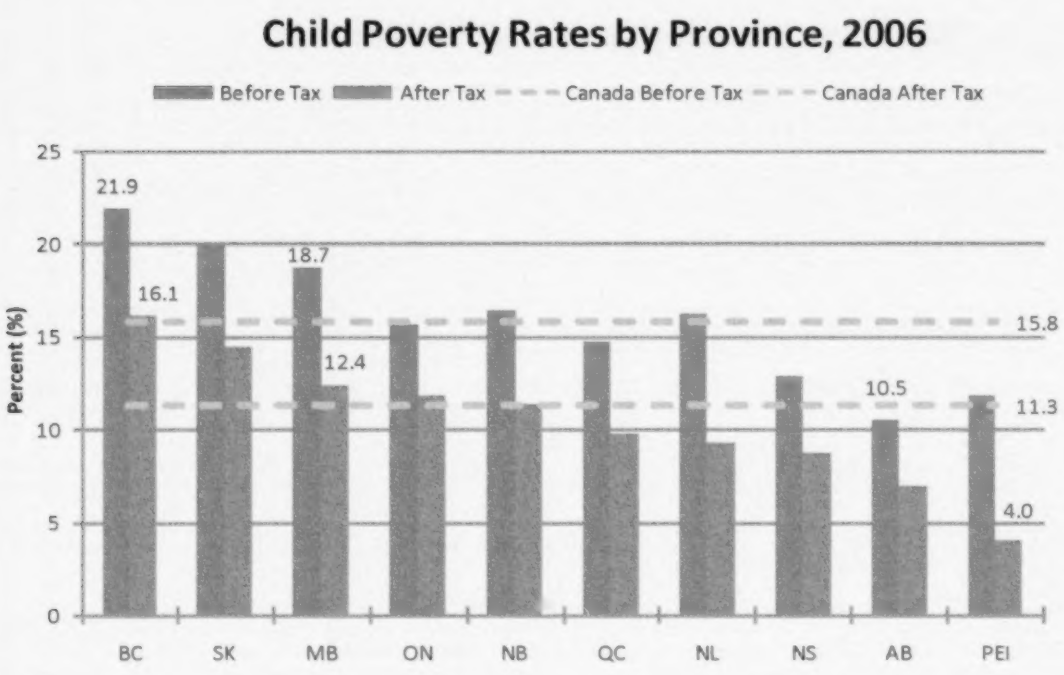
And, as always, the Social Planning Council will provide recommendations to address the problems of poverty in our province.

CHILD POVERTY IN MANITOBA

Statistics Canada produces two sets of low income indicators, the first based on before-tax income and the second based on after-tax income. The before tax indicator is a measure of income from market sources and transfers delivered outside the taxation system. The after tax indicator is a measure of disposable income. There is about a 5 percentage point difference in child poverty rates between these two measures. Both indicators reveal that there has been little change in child poverty rates over the years in Manitoba.

The structural rate of child and family poverty in Manitoba remains unacceptably high. In 2006 Manitoba ranked 3rd highest amongst the provinces (and above the Canadian average) according to both before and after tax measures.

The rate of child and family poverty in Manitoba fell slightly from 2005 to 2006. The before-tax rate declined from 20.1 to18.7 per cent, the after-tax rate from 14.1 to 12.4 per cent. This minor decrease is consistent with historical year to year variations and provides



no comfort to the 47,000 children in Manitoba (before tax) who still lived in poverty in 2006. The economic cycle has since peaked and is now in the midst of a downturn, meaning the rate and depth of child and family poverty in Manitoba are likely to be on the rise unless governments' respond rapidly and comprehensively.

These numbers do not include children living in First Nations communities. If it did the rate of child and family poverty would likely be significantly higher.

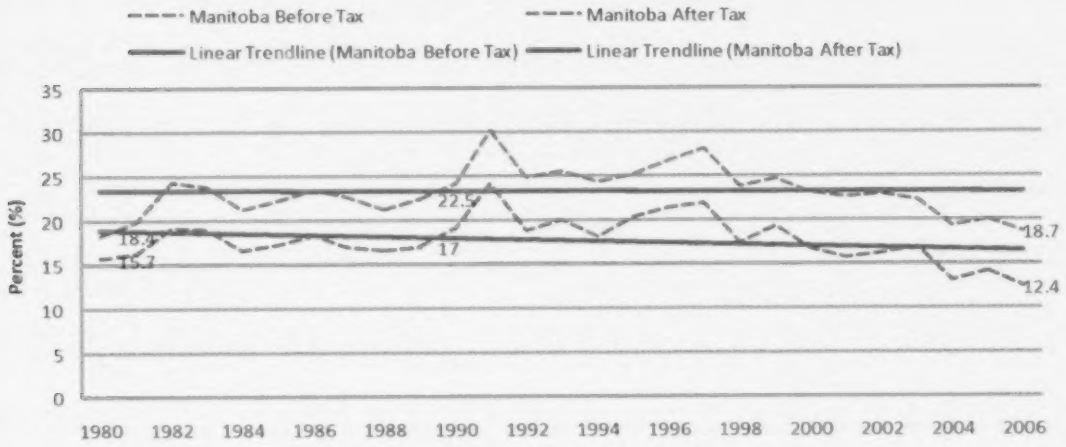
Since 1980, there has been some movement up and down, but no significant declining trend. The pattern is the same in the before and after tax rates. While the Manitoba government celebrates small changes in the overall rate, a few years of small decreases and larger changes for some sub-groups, the overall picture is one of stagnation, market and public policy failure. This is indicated by the flat trend lines below. The average year to year change in the child poverty rate is less than -0.0018 per year for the before-tax rate, and less than -0.0885 per year for the after-tax rate between 1980 and 2006. This is not a record to brag about.

CHILD POVERTY BY FAMILY TYPE

There has been significant improvement in the situation of female led lone parent families in Manitoba. At 39.5 per cent, the rate in Manitoba fell below the Canadian average of 42.6 per cent in 2006. This is far below the 1989 level when more than two thirds (67.1 per cent) of female lone parent families lived in poverty in Manitoba. However, almost forty per cent of children in single parent families living in poverty should not evoke pride.

However, the rate of poverty among two parent families with children in Manitoba has remained virtually the same over the short and long term. The 2006 rate of 15 per cent was almost identical to the 2004 and 2005 rates of 15.6 and 15.2 per cent respectively. In fact, the rate has only decreased 1 per cent since 1989 (16 per cent). The rate of poverty for two parent families with children in Manitoba is well above the Canadian average of 11.2 per cent.

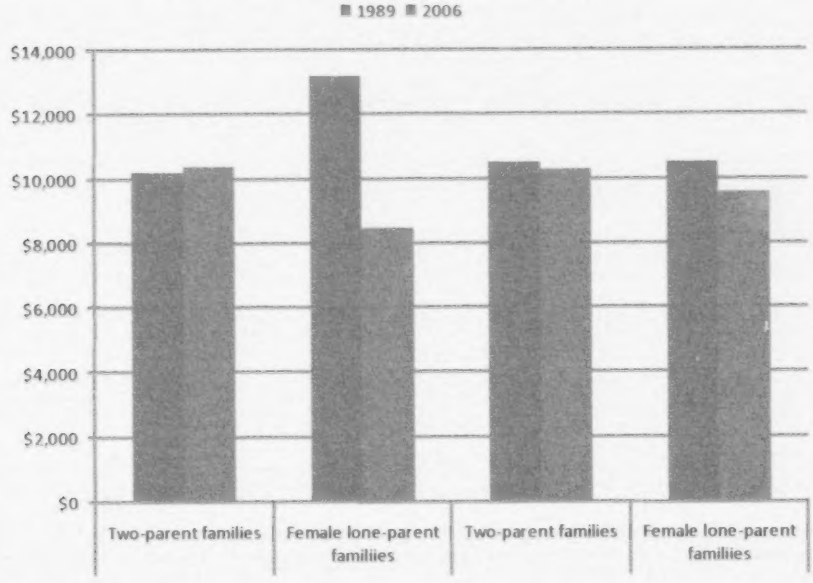
Child Poverty Rate, Manitoba, Before and After Tax, 1980-2006



The trend is the same in regards to the depth of poverty, the amount a family or individual needs to reach the poverty line, among children and families in Manitoba. The depth of poverty among female lone parent families decreased significantly from 1989 to 2006, from $13,100 to $8,500. At the same time the depth of poverty among two parent families has remained constant, barely moving from $10,400 to $10,200 over the same period.

From 2005 to 2006, the average depth of poverty among two parent families declined from $12,000-$10,400 while the average depth of poverty among female lone parent families decreased from $8,700 to $8,500. The Canadian averages in 2006 were $10,300 and $9,600 for two parent families and lone parent families respectively.

Average Depth of Poverty by Family Type

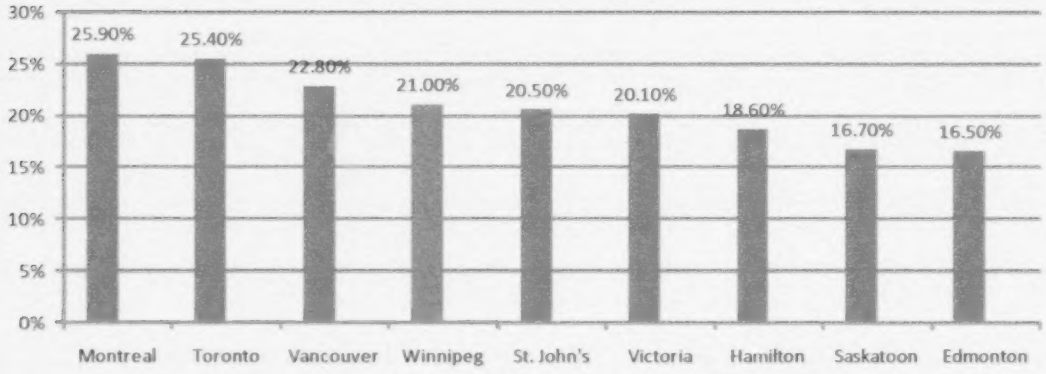


CITY OF WINNIPEG

The rate of child poverty is consistently higher in Winnipeg than for Manitoba as a whole. The latest Census data indicates that more than one in five children in Winnipeg lived in poverty in 2005, the highest rate among the mid sized cities in Canada.

Another example exists right here in Manitoba. The City of Brandon has a standing Poverty Committee which ensures that poverty issues are always on Council's agenda. One concrete action resulting from the committee's work includes bus passes for social assistance recipients during off peak hours in Brandon. The Mayor, two Councillors and three representatives from the Brandon Social Planning Council comprise the committee.

Child Poverty Rates Above Canadian Average in Selected Cities (2005)



Source: Statistics Canada (2007). 2006 Community Profiles. 2006 Census.

Many Canadian cities have established committees or task forces to address the issue of poverty in their communities. The best example may be the Hamilton Roundtable for Poverty Reduction (HRPR) which was co-convened by The City and the Hamilton Community Foundation. The HRPR is a multi-sectoral collaborative body working to reduce the number of persons and families living in poverty and to prevent future generations from living in poverty. The Roundtable established a clear aspiration statement of: "Making Hamilton the Best Place to Raise a Child". The City continues to be a leader and allocates an ongoing operations grant from its core budget.

Currently there is no voice of those living in poverty at City Hall in Winnipeg and no accountability to them. The City of Winnipeg must play an active and leadership role in contributing to equity and social inclusion by ensuring high quality and accessible public goods and services. The importance of inclusive policy and programming is becoming more and more important given the demographic composition of the city. Winnipeg has the highest Aboriginal population of any city in Canada. Winnipeg is also welcoming the majority of newcomers being recruited to the province through Manitoba's Provincial Nominee Program. More newcomers are arriving from nontraditional source countries and are more likely to belong to racailized communities than in the past. These populations continue to be overrepresented among those living in poverty. The City of Winnipeg has made

the commitment to taking an active role in assisting new Aboriginal residents in their transition to life in the city via Municipal Aboriginal Pathways (MAP), but progress thus far has been limited.

RECOMMENDATIONS

Create a standing poverty committee or broaden the mandate of Citizen Equity Committee to consider the effects of city policies and decisions on those living in poverty.

Ensure that all low income Winnipegers, including participants in the Employment and Income Assistance program, have access to public transportation through the provision of free bus passes during off-peak hours, or are eligbile for a special low income rate.

Ensure recreation is universally and locally available to children in low income families.

Establish living wage by-laws to govern service contracting. This would legislate payment of a living wage as a criterion in selecting contractors.

SOME CHILDREN MORE AT RISK THAN OTHERS

Children of lone parents (especially females), recent immigrants, Aboriginal peoples (both on reserve and off reserve), visible minority, and children with disabilities continue to be at greater risk of poverty and disproportionately represented among the poor.

According to the latest Census, the percentage of Aboriginal children living off reserve less than six years of age in Manitoba living in poverty in 2005 was 56 per cent, the highest of all provinces, and well above the provincial average of 41 percent(1). Meanwhile, 19 per cent of non-Aboriginal children less than six years of age in Manitoba lived in poverty in 2005(2).

68 per cent of First Nations children less than six years of age living off reserve in Manitoba lived in poverty in 2005, again the highest of all provinces, and well above the provincial average of 49 per cent(3). In fact, Manitoba and Saskatchewan were the only provinces with rates above 60 per cent (4).

INCOME (IN)SECURITY

Manitoba's Employment and Income Assistance program is failing to ensure an acceptable standard of living for recipients regardless of which measure is used.

Adequacy of Welfare Incomes, Manitoba, 2006

	Total Income*	Income as % of Before tax LICOs	Income as % of After tax LICOs	Income as % of Market Basket Measure
Single Employable	$5,822	27	33	44
Person with a Disability	$8,814	42 (second lowest in Canada)	50 (second lowest in Canada)	67
Lone Parent, One Child	$14,262	54	67 (lowest in Canada)	83
Couple, Two Children	$21,096	54	64	80

Source: National Council of Welfare, Welfare Incomes 2006

Income support rates have withered under inflationary pressures since the cuts in the early 1990's. Recipients saw a decrease in the value of their benefits of 10.5 per cent and 36.8 per cent, depending on category, from 1992 to 2006) (5). As part of their poverty reduction strategies, Quebec and Newfoundland and Labrador increased social assistance rates and indexed them to inflation to ensure that the incomes of recipients are not eroded over time.

The cost of living in Manitoba has been increasing at a faster than normal rate, meaning that the situation the poor are facing at present is very likely worse than the data from 2006 suggests. The Consumer Price Index increased 3.4 per cent from August 2007 to August 2008(6). Increases in the costs of necessities (on which low income families spend a greater proportion of their incomes) rose even faster with food, shelter, and transportation increasing 4.5 per cent, 4.9 per cent and 6.4 per cent respectively (7).

RECOMMENDATIONS

PROVINCIAL

Increase basic EIA allowance rates immediately to 1992 levels (in 2008 constant dollars) for all categories, and index annually to inflation.

Increase liquid asset and earnings exemption of EIA recipients.

End the claw back of child support payments from lone parents and their children receiving EIA.

Create and support a community-government initiative to review EIA and implement recommendations for reform.

Enhance the Manitoba Child Benefit by:

- ***Extending to EIA recipients.***
- ***Increasing the maximum monthly benefit.***
- ***rising eligibility thresholds and indexing them to increases in the cost of living.***

Integrating with the Canada Child Tax Benefit.

FEDERAL

Increase the National Child Benefit Supplement to create a full child benefit for low income families of $5,100 per child per year (in 2007 constant dollars).

Establish a basic income system for persons with disabilities.

HOUSING

The lack of quality, appropriate, and affordable housing has become an issue of serious concern in Manitoba. The supply of both social and rental market housing has been on the decline, leading to critically low vacancy rates, while average rents in the province have been increasing at a greater rate than the incomes of those living in poverty.

The federal and provincial governments abandoned the creation of social housing units as an affordable housing strategy, putting the onus on the private sector to the detriment of the poor. As of spring 2008 the rental vacancy rate in all of Manitoba's urban centres (including Winnipeg) had declined to 1.0 per cent (8).

The Canada Mortgage and Housing Corporation, has cited high levels of immigration as an influencing factor in the tightening rental market (9). Manitoba now recruits 10,000 newcomers every year, a number expected to rise to 16,000 by 2016. Surprisingly, housing is not part of Manitoba's Settlement Strategy, despite the critical need for affordable housing for newcomers who have lower average

incomes and higher rates of poverty. This situation serves as another glaring example of interdepartmental disconnection, where two separate departments are failing to work in a complimentary fashion.

The increasing gap between the shelter support of EIA recipients and their actual cost for shelter forces them to make difficult budgetary choices. Quite often this means taking money from their food budgets in order to pay rent. A single parent with one child, for example, receives a maximum monthly shelter allowance of $387 per month, but the average rent in Manitoba is $592 and $746 for one bedroom and two bedroom apartments respectively, leaving families with a monthly shortfall of between $205-$359. A two parent family with two children receives a maximum monthly shelter allowance of $471 to pay for an average rent between $746 and $906, leaving a shortfall of $275-$435.

This situation is getting worse. As of March 2008, among persons receiving EIA and who rent privately in Manitoba:

- Over 77 per cent had a rent deficit, up from 72.5 per cent only two years earlier (10).
- The average rent deficit was $139.40 per month, up from $108.00 two years earlier (11).
- The percentage of EIA households experiencing a deficit of at least $100.00 rose to 48 per cent from 39.3 per cent two years earlier (12).

Prior to 1993, the shelter component of social assistance was indexed to increases in the Manitoba Rent Increase Guideline. The Rent Increase Guideline will increase another 2.5 per cent in 2009, bringing the total cumulative increase since 1993 up to 25 per cent. In 2008 Premier Doer publically acknowledged that re-indexing the allowances to the guidelines was a "sensible" idea, despite this there has been no formal announcement that the government is moving towards re-indexation.

RECOMMENDATIONS

PROVINCIAL

Increase the number of units of affordable housing by increasing funding for public and private housing infrastructure. The target should be to create 1,000 new units of social housing per year for ten years across the province.

Improve conditions in available housing by repairing Manitoba Housing units as well as available units in the private rental market.

Increase shelter rates to reflect average rents in local housing markets and increase annually according to the Manitoba Rent Increase Guideline.

Broaden eligibility for the Manitoba Shelter Benefit to include all participants in the EIA program and to assist more working poor families obtain affordable housing.

Coordinate housing and immigration policies.

FEDERAL

Fund a national housing program with major investments into housing and homelessness and for the the creation of more social housing.

WORKING FAMILIES REWARDED WITH POVERTY

The Government of Manitoba announced Rewarding Work in 2007. The message from The Government of Manitoba has been consistent and clear: that a job is the solution to poverty. The evidence simply does not back this up. In 2006, almost 62 per cent of poor children in Manitoba lived in families in which family members together worked the equivalent of one full time full year position. In

fact, 10.2 percent of **all** children in Manitoba who lived in families where family members worked the equivalent of one full time full year position were poor. Manitoba was second worst in this regard.

Percentage of Low Income Children in Families by Full Time Employment Status, 2006

The Government of Manitoba is putting all its eggs into the Rewarding Work basket, a strategy delivered by the Department of Family Services and Housing. The initiative does contain some positive policy measures, such as portable benefits for those moving from EIA to the workforce, but it is at its essence a strategy to move people from welfare to work. It is but one piece of what is necessary, delivered through one governmental department without coordinated and complimentary cross departmental initiatives and oversight.

A meaningful and comprehensive strategy would include a balance of active labour market policies combined with benefits sufficient to ensure an acceptable living level for those with a limited ability to participate in the labour market, and supplements to lift working poor families out of poverty. Additionally, it is essential that any strategy aimed at moving persons from welfare to work must exist alongside a complimentary labour market strategy to ensure that high quality jobs are being created, and that persons have the appropriate educational and skills training options available to move into these good jobs.

Rewarding Work has been rolling out in phases since 2007; therefore it is premature to evaluate precisely how those living in poverty in Manitoba will benefit. Although the carrot approach is better than that of the stick, the province must set loftier goals than simply moving persons from welfare to work into potentially low paying precarious jobs that keeps them in poverty. Ultimately policies should be designed to facilitate long term attachment to the labour market, and therefore enhanced self sufficiently, as well as movement out of poverty by giving people who are able to work the opportunity to move into good jobs. Rewarding Work does provide some small supplements to those moving from welfare to work but these are simply not enough.

Manitoba has had one of the lowest unemployment rates (4.3 per cent in October of 2008) and highest labour market participation rates in Canada. The fact is Manitobans are working and poverty cannot be eliminated solely through welfare to work policies.

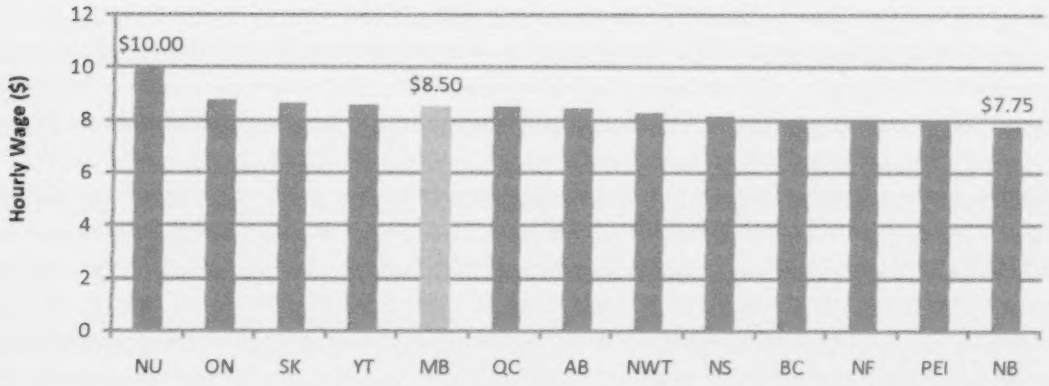
MINIMUM WAGE A POVERTY WAGE IN MANITOBA

The province can ensure that work is rewarded by establishing a minimum wage sufficient to lift a single full time worker with no children out of poverty, integrated federal and provincial child benefits should be sufficient to close the remaining low income gap of families with children.

Manitoba's minimum wage has been increasing faster than the rate of inflation and improving relative to other provinces since 1999. Still, the current minimum wage of $8.50 per hour does not guarantee a full time worker freedom from poverty and continues to lag behind levels of three decades ago.

A single person with no children working full time for the minimum wage in Winnipeg would have to work 50 hours per week to reach the poverty line (based on the before tax LICO). A single parent would have to work 58.5 hours per week. To raise a single worker above poverty, the minimum wage would need

Minimum Wage in Canada, 2008



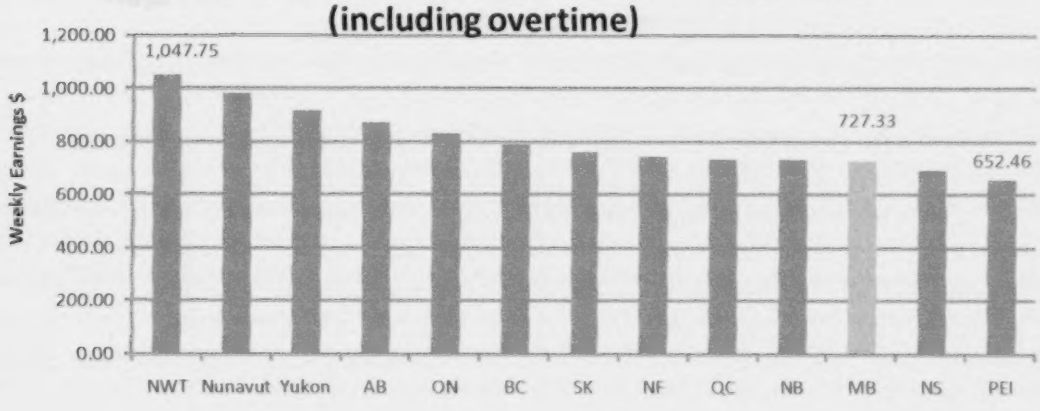
to be $10.87 in a 37.5 hour work week.

The minimum wage in Manitoba is not indexed to the Consumer Price Index (as in the Yukon) or adjusted yearly to average wages (as in Alberta), and increases are done on an ad hoc basis. There has yet to be an announcement on a potential increase for 2009 but the Premier has publicly committed to raising the minimum wage ever year.

The lack of indexation of the minimum wage is problematic to both workers experiencing rising costs of living and employers looking for predictability. The contention that increasing the minimum wage kills jobs is simply not evidence based. Studies on the effects of increasing minimum wage on employment levels are inconclusive at best (13).

Despite recent gains, Manitoba continues to be a low wage economy, ranking ahead of only Nova Scotia and PEI in terms of average weekly earnings.

Average Weekly Earnings in Canada, August 2008 (including overtime)



RECOMMENDATIONS

PROVINCIAL

Increase the minimum wage to $10.87/hour in 2008 dollars and index to inflation or adjust annually to average weekly wage increases.

Enhance supplements for working poor families.

Implement a labour market strategy with a "good job" creation plan.

Expand initiatives to recognize foreign credentials in partnership with community groups and other stakeholders.

Establish living wage legislation to govern service contracting by government, cities, municipalities, hospitals and universities so contracts can only be awarded to companies paying a living wage to workers.

FEDERAL

Restore broad eligibility for Employment Insurance and increase benefit levels.

Increase federal work tax credits to $2,400 per year.

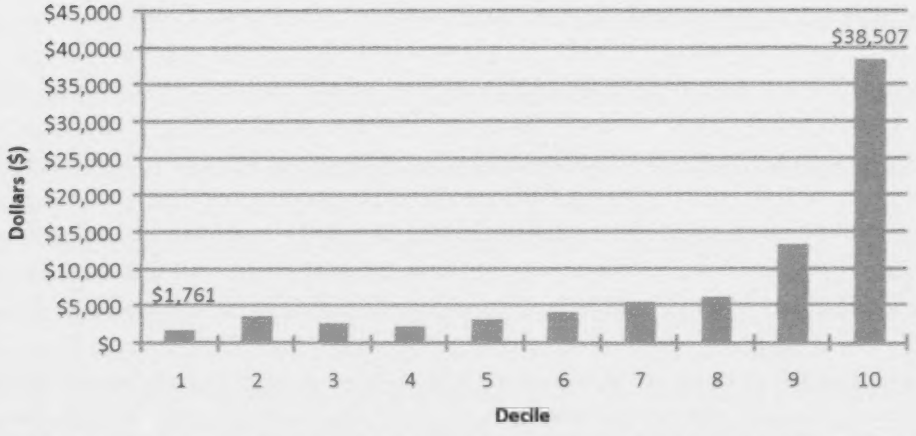
Establish a federal minimum wage of $10 per hour (in 2007 dollars).

ECONOMIC GROWTH

"After 20 years of continuous decline, both inequality and poverty rates have increased rapidly in the past 10 years, now reaching levels above the OECD average."(14)

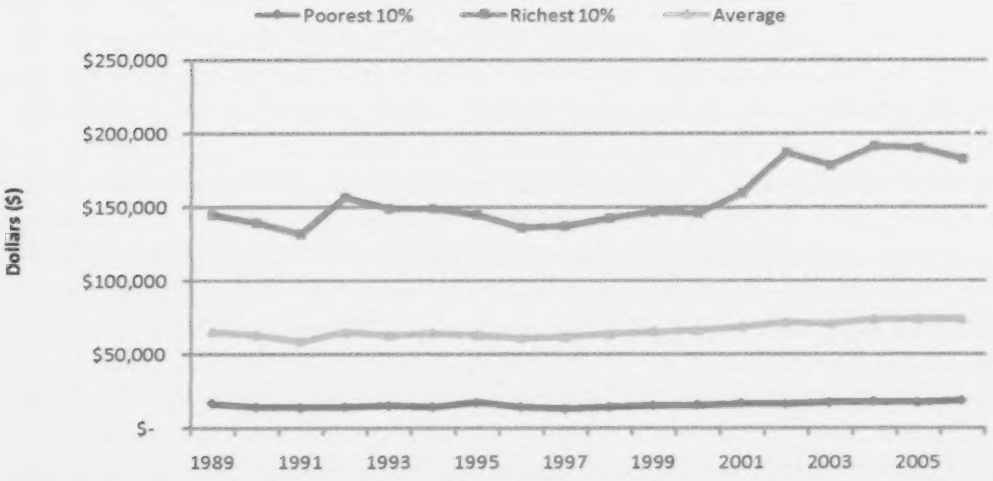
Economic growth has failed to meaningfully reduce child and family poverty. The rewards of economic growth are simply not being distributed equitably, with the well off overwhelmingly reaping the majority of the benefits. The long term trend in Manitoba, as in the rest of Canada, continues to be a widening gap between the rich and the poor. It is clear that we cannot rely on economic growth alone to solve poverty.

Change in Average Income for Families with Children, 1989-2006 by Decile, Manitoba (2006 Constant Dollars)



The income of the richest 10 per cent of families with children in Manitoba was more that 8.7 times that of the poorest 10 per cent in 1989. In 2006 the richest 10 per cent of families with children in Manitoba had incomes 10 times that of the poorest. From 1989 to 2006, the wealthiest families in Manitoba saw their incomes grow 21.9 times as much as the poorest.

Average Incomes for Families with Children in Manitoba, 1989-2006 (2006 constant dollars)

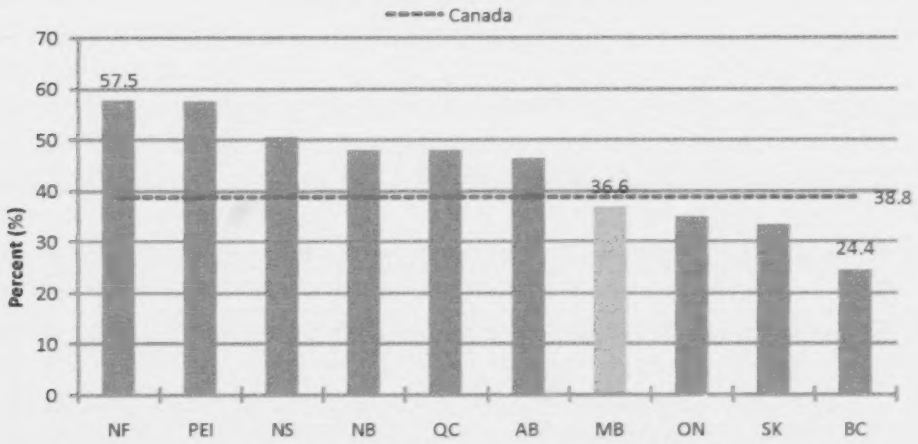


GOVERNMENT TRANSFERS

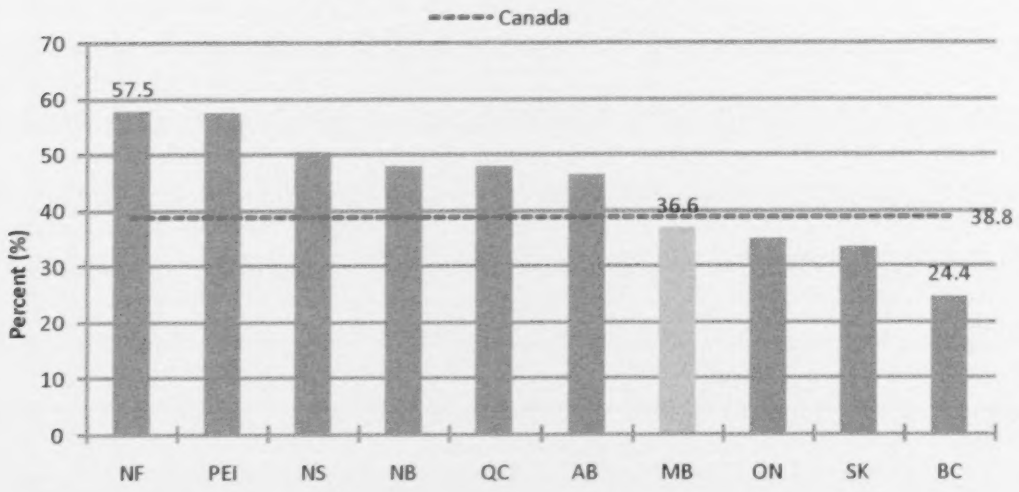
"Canada spends less on cash benefits such as unemployment benefits and family benefits than most OECD countries."(15)

Government transfers such as Employment Insurance, the Canada Child Tax Benefit and Employment and Income Assistance, play an important role in reducing child and family poverty. Without transfers the child and family poverty rate in Manitoba would have been 29.9 per cent in 2006, meaning transfers had the effect of decreasing the rate by 36.6 per cent. Despite the substantial effect of transfers, Manitoba is not doing as well as other provinces, ranking forth lowest just ahead of Ontario. Since federal transfers are consistent throughout Canada, the problem must be with provincial transfers. The two provinces with poverty reduction plans, Quebec and Newfoundland and Labrador, are doing a better job at reducing child and family poverty through social investment.

Percentage of Children Prevented From Poverty by Government Transfers, 2006



Percentage of Children Prevented From Poverty by Government Transfers, 2006



CHILD CARE

Manitoba is among the leaders in Canada in the area of Early Learning and Childcare. Manitoba's previous five year plan for childcare was successful in increasing the quality and availability of care in the province. In 2008, the province unveiled *Family Choices*, its new childcare plan for Manitoba that intends to build on this momentum. Credit must be given to the Government of Manitoba for continuing to make strong investments into early learning and childcare despite contraction of federal funding.

Despite the progress that has been made gaps still remain. Child Care Centres report one to two year waiting lists for all age groups. However, the critical shortage of Early Childhood Educators and Child Care Assistants must be addressed if Manitoba is to remain a leader and achieve the goals of the new Five Year Agenda. In addition, even families who are eligible for a full subsidy may still pay a surcharge of $2.00 per day per child.

Although there was an overall increase in the number of spaces for children ages 0-12, the percentage of Manitoba children ages 0-5 for whom there was a regulated space actually decreased slightly from 24.1 per cent in 2007/2008 from 23.6% in 2006/2007. (16) In 2003 45,700 children age 0-5 had mothers in the paid work force (17).

RECOMMENDATIONS

PROVINCIAL

Increase and expand the supply of child care spaces throughout the province, particularly for infants and for non-traditional hours.

Fund competitive compensation for the child care workforce and provide a continuum of training.

Increase subsidy eligibility levels and index on a yearly basis.

Eliminate the $2.00/child/day surcharge.

FEDERAL

Invest major federal funding dedicated to a national program of early childhood education and care.

FOOD BANK USAGE: A CLEAR INDICATOR OF DEPRIVATION

Food bank usage is a clear indicator that government policy and the labour market are failing to provide citizens with the basic necessities. The Canadian Association of Food Banks will be releasing Hunger Count 2008 in the near future which will shed light on whether the situation has gotten better or worse since 2007. Last year it was reported that in March of 2007, 43,563 Manitobans relied on food banks and 47 per cent of users were children (18). At 3.7% of the provincial population, Manitoba ranked in second place nationally for the highest rate of food bank use.

Manitoba has been acknowledged by Guinness World Records for the most food donated (176 tons) over a twenty-four hour period during Winnipeg Harvest's World Record Food Drive in October of 2007. This is both a testament to the generosity of Manitobans and an indictment of the public sector's inability to provide the basic necessities for the most vulnerable (19).

NEED FOR A PLAN

Through nine years of economic growth The Government of Manitoba failed to put into place the comprehensive architecture necessary to prevent and alleviate poverty. The personal and societal costs of this inaction are potentially dramatic. With an uncertain economic future it is more important than ever that both the provincial and federal governments show leadership and move forward on complimentary comprehensive poverty reduction strategies.

Government investment in times of economic slowdown or recession is crucial. If the public sector fails to step up and deliver, the rate and depth of poverty for children and families is likely to worsen and the modest improvements witnessed since the late 1990s could be undone. We are seeing governments mobilize and take swift and decisive action in bailouts to large corporations, banks and other financial institutions, but that they have yet to commit to a strategy that includes measures to protect the economic security of children and families is unacceptable.

We have some important decisions to make regarding how we move forward. The provinces of Saskatchewan and British Columbia have already chosen the path of accelerating tax cuts, which will result in eroded capacity to address the circumstances of the most vulnerable and ensure a healthy, well educated and trained workforce for the future. We do not want Manitoba to take this route.

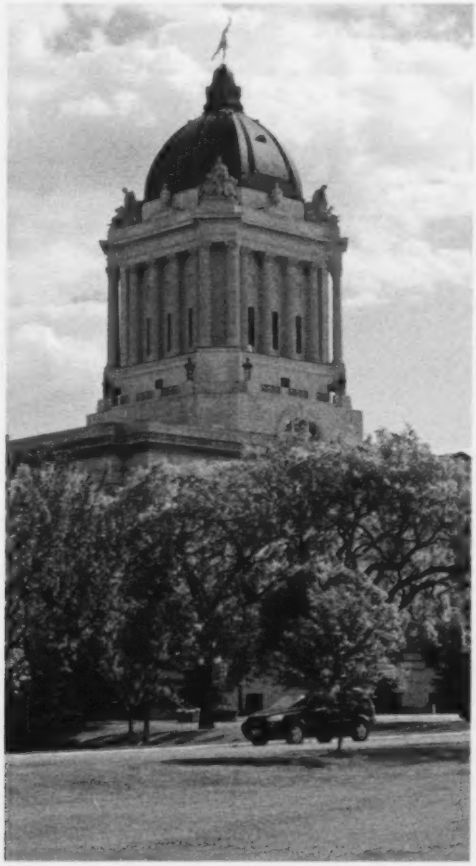
The existence of child poverty is a denial of healthy and nurturing physical and social conditions, and of the opportunities that enable children to reach their full potentials. The imperative to act is not simply a moral one, investing in poverty reduction costs society less than doing nothing. A recent study conservatively estimated the cost of child poverty in the United Kingdom to be around 25 billion pounds per year (20). Poverty reduction is important for the strength of our economies and enhances population health. The Manitoba Centre for Health Policy reports that children with lower socioeconomic status are more likely to have poorer health outcomes, one clear and sobering example are the almost three fold higher infant mortality rates of the poorest children compared to the richest. (21)

We urge the Government of Manitoba to develop a comprehensive provincial poverty reduction strategy with goals, targets, timelines, and reporting requirements that would encompass initiatives in the area of child care, education and training, housing, labour market development, and income security, and that would involve other levels of government and sectors, including business, labour, and community organizations. Public commitment to eliminate poverty and social

exclusion must also be enshrined in provincial legislation.

Quebec, Newfoundland and Labrador, Nova Scotia, New Brunswick and Ontario have or are working on provincial strategies. Together these jurisdictions represent more than two thirds of the population of Canada. Premier Gary Doer has committed in principle to a comprehensive approach to poverty reduction, but there has been no official announcement that a comprehensive strategy for Manitoba is on the horizon.

Premier Doer took a leadership role in putting forth a plan, with targets, to cut greenhouse gas emissions in Manitoba but has thus far been unwilling to be a leader in poverty reduction. The Premier's public statements on the reasoning for not moving forward with a formal strategy have referred to the jurisdictional issue concerning First Nations peoples, and concerns over setting targets with appropriate measures.



The jurisdictional issue is a typical red herring thrown out when there exists an absence of political will and commitment. This is unfortunate. There is no lack of precedent for the provincial and federal governments to work together with First Nations peoples to enhance economic security and living conditions on reserves in Manitoba, one example being in providing pre natal benefits. Manitoba and The Government of Canada have also recently agreed to Jordan's Principle, and its broad application would be a considerable step forward. First Nations people, however, need to be fully involved with the planning and implimentation process. Both governments must work together with Aboriginal peoples and adopt specific poverty reduction targets, timelines, indicators for Aboriginal families with intergovernmental coordination and accountability to First Nations on reserves.

The premier has also tried to sidetrack the issue into an endless debate about poverty measurement. It is true that LICO cannot be applied in First Nations communities, but other measures can. It is important to note that no one measure can accurately capture all aspects of the complex situation that is poverty; a robust set of measures is required. Current measures such as the before and after tax LICOs, the Market Basket Measure (MBM), and the Acceptable Living Level (A.L.L.) can be used in tandem to provide a much richer understanding of the different aspects of poverty. The province must work with First Nations leaders to develop additional measures for use in First Nations communities. The Low Income Measure

(LIM) can be used to set a baseline and track progress in the meantime. The LIM is similar to the measure used in the European Union and can be applied to every Canadian family.

All levels of government must work together. A national poverty reduction strategy, which supports and compliments provincial initiatives, is essential if we are to ensure significant and sustainable gains. It is worth noting that four out of the five major federal parties put forth poverty reduction strategies during the last election and together these parties garnered 63 percent of the popular vote. The City of Winnipeg must be more proactive and learn from the examples being set by other municipal governments across Canada who are taking the lead to ensure healthy and accessible social infrastructure for all citizens.

A comprehensive poverty reduction strategy can be quickly developed on the basis of concerted consultation with a broad range of stakeholders. However, there is no need to start from scratch. Make Poverty History Manitoba has put forth a discussion document outlining key areas where action must be taken as put forward by Manitobans at several public consultations held over the past four years. While it is by no means exhaustive, it is a starting point from which to move forward.

We expect the Government of Manitoba to officially announce their commitment to a formal strategy and for the next provincial budget to contain a significant initial investment.

Manitobans are looking for their government to show leadership on poverty reduction. The Canadian Centre for Policy Alternatives (22) recently released the results of a survey indicating among Manitobans:

- 87 per cent believe that if other countries can reduce poverty we can too.
- 87 per cent believe it is time for strong leadership.
- 86 per cent believe governments should set concrete targets and timelines.
- 87 per cent would be proud if their Premier took leadership on poverty reduction
- 73 per cent believe a recession makes it more important than ever to reduce poverty.

There will not be substantive progress without political will to reduce poverty. Poverty among seniors was made a public priority and the situation of seniors has improved dramatically. The poverty rate of seniors in Manitoba decreased from 38.5 per cent in 1976 to 6.4 per cent in 2006 (after tax). We can achieve the same comparable gains for children and families in Manitoba.

APPENDIX:

Measurement of Poverty in Canada

While there are a number of poverty measures, Canada does not have an official poverty line. In the absence of a definition, discussions about poverty in Canada too often become a debate about how it is measured or understood. The Low Income Cut-Off (LICO) is the measure most commonly used by those reporting on poverty in Canada. The before-tax indicator is a measure of income from market sources and transfers delivered outside the taxation system. The after-tax indicator is a measure of disposable income. This report uses the Statistics Canada before-tax LICO as opposed to the after-tax LICO, except where otherwise noted.

Low Income Cut-offs 2006 (1992 Base) Before Tax

Size of Family	Community Size				
	Rural Areas	Urban Areas			
		Less than 30,000	30,000 to 99,999	100,000 to 499,999	500,000 and over
1 person	$14,593	$16,603	$18,144	$18,257	$21,199
2 persons	$18,168	$20,668	$22,588	$22,728	$26,392
3 persons	$22,334	$25,409	$27,769	$27,941	$32,446
4 persons	$27,118	$30,851	$33,716	$33,925	$39,393
5 persons	$30,756	$34,990	$38,240	$38,476	$44,679
6 persons	$34,689	$39,463	$43,128	$43,396	$50,390
7 or more persons	$38,620	$43,936	$48,017	$48,314	$56,102

Source: Statistics Canada - Low Income Cut-offs for 2007 and Low Income Measures for 2006, June 2008
http://www.statcan.ca/english/research/75F0002MIE/75F0002MIE2008004.pdf

Low Income Cut-offs 2006 (1992 Base) After Tax

Size of Family	Community Size				
	Rural Areas	Urban Areas			
		Less than 30,000	30,000 to 99,999	100,000 to 499,999	500,000 and over
1 person	$11,492	$13,152	$14,671	$14,857	$17,568
2 persons	$13,987	$16,008	$17,857	$18,082	$21,381
3 persons	$17,417	$19,932	$22,236	$22,516	$26,624
4 persons	$21,728	$24,867	$27,741	$28,091	$33,216
5 persons	$24,742	$28,317	$31,590	$31,987	$37,823
6 persons	$27,440	$31,404	$35,034	$35,474	$41,946
7 or more persons	$30,138	$34,491	$38,477	$38,962	$46,070

Source: Statistics Canada - Low Income Cut-offs for 2007 and Low Income Measures for 2006, June 2008
http://www.statcan.ca/english/research/75F0002MIE/75F0002MIE2008004.pdf

Low Income Measure

The Low Income Measure (LIM) is a measure of relative income deficiency. Families with incomes below 50 per cent of median income are said to be of low income. A LIM is established for a single adult and equivalency scales are used according to household size.

ENDNOTES

[1] Statistics Canada (2008). Aboriginal Children's Survey, 2006: Family, Community and Child Care.
[2] Statistics Canada (2008). Aboriginal Children's Survey, 2006: Family, Community and Child Care.
[3] Statistics Canada (2008). Aboriginal Children's Survey, 2006: Family, Community and Child Care.
[4] Statistics Canada (2008). Aboriginal Children's Survey, 2006: Family, Community and Child Care.
[5] National Council of Welfare (2008). Welfare Incomes 2006
[6] Statistics Canada (2008). The Consumer Price Index: August 2008.
[7] Statistics Canada (2008). The Consumer Price Index: August 2008.
[8] Canada Mortgage and Housing Corporation (2008), Rental Market Report: Manitoba Highlights.
[9] Canada Mortgage and Housing Corporation (2008), Rental Market Report: Manitoba Highlights.
[10] Data obtained by the Social Planning Council of Winnipeg from Manitoba Family Services and Housing
[11] Data obtained by the Social Planning Council of Winnipeg from Manitoba Family Services and Housing
[12] Data obtained by the Social Planning Council of Winnipeg from Manitoba Family Services and Housing
[13] Hudson, Ian (2008). Let's have an honest debate on minimum wage. *Fast Facts*. Canadian Centre for Policy Alternatives – Manitoba.
[14] OECD (2008). Growing Unequal? : Income Distribution and Poverty in OECD Countries.
[15] OECD (2008). Growing Unequal? : Income Distribution and Poverty in OECD Countries.
[16] Manitoba Family Services and Housing (2008). Manitoba Family Services and Housing Annual Report 2007/2008.
[17] Manitoba Child Care Association (2007). Child Care in Manitoba.
[18] Canadian Association of Foodbanks (2008). Hunger Count 2007.
[19] Canadian Association of Foodbanks (2008). Hunger Count 2007.
[20] Joseph Rowntree Foundation (2008). Estimating the Costs of Child Poverty.
[21] Manitoba Centre for Health Policy (2008). Manitoba Child Health Atlas Update.
[22] Hennessy, Trish & Yalnizyan, Armine (2008). Ready for Leadership: Canadians' perceptions of poverty. Canadian Centre for Policy Alternatives.